

**Finance and Budget Committee Minutes
December 12, 2007 8:00 A.M. Room 312**

Councilors in attendance: Cantor, Slifka, Davidoff

State Treasurer's Investment Fund (STIF)

There has been a considerable amount written in the press about the impact of credit market concerns (sub-prime mortgages) on government investment pools, primarily associated with the Florida State Treasurer's Investment Fund. The Connecticut STIF continues to hold a high level of liquidity and their investments available on a same-day basis continues to exceed the full value of municipal government balances. While there are some funds which have direct exposure to sub-prime mortgages, Standard & Poor's continues to rate STIF as AAAM, its highest rating for money market funds and investment pools.

As of last Thursday, Dec. 6th, the Town had \$49 million in STIF, which represents the cash balance of the operating general fund. However, due to falling interest rates (currently 4.75%) with the fund, on Friday, Dec. 7th, \$15 million was transferred to a 3-month CD at Banknorth at 4.85% and \$10 million to a 6 1/2- month CD at Farmington Savings Bank at 4.98%.

Credit Rating Presentation

A draft of the credit rating presentation for Moody's and Standard and Poor's was reviewed by the Committee. It is anticipated that the visit will be in mid-January. The issuance will be for \$15 million over 15 years. Projects included are primarily infrastructure maintenance programs plus the last of the police station renovations and the purchase of a new fire truck.

This item will be reviewed again at the next Committee meeting which is scheduled for Wednesday, December 19 at 8AM.